

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

**CHAMBERS OF  
MADELINE COX ARLEO  
UNITED STATES MAGISTRATE JUDGE**

**MARTIN LUTHER KING COURTHOUSE  
50 WALNUT ST.  
ROOM 2060  
NEWARK, NJ 07101  
973-297-4903**

April 10, 2006

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**LETTER ORDER**

**Re: Colida v. Panasonic Corp. of North America, et al.  
Civil Action No. 05-5527 (JAG)**

Dear Mr. Colida and Counsel:

This matter having come before the Court on March 27, 2006 for oral argument on Mr. Colida's application to proceed *in forma pauperis* pursuant to 28 U.S.C. §1915. For the reasons set forth on the record on March 27, 2006 and for the reasons set forth below, his application is **DENIED**.<sup>1</sup>

By way of background, this action was originally filed in the United States District Court for the Southern District of New York. On November 10, 2005, the matter was transferred from the Southern District of New York to this Court pursuant to 28 U.S.C. §1404(a). In sum, plaintiff's lawsuit is based on design patent infringement over the past ten years. He has brought design patent infringement actions on at least twenty occasions, most of which have been filed in the past three years against various companies throughout the United States.

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<sup>1</sup>Mr. Colida was granted permission to appear telephonically at the hearing by this Court.

In connection with his application for *in forma pauperis* status, Colida submitted an Affidavit which states that his earnings are limited to public benefit from the government of Canada in the amount of \$674 per month. He states that he has no other assets other than one dollar in a savings account. He also states that he has a U.S. design patent, but “I do not know their value.” At the hearing, plaintiff stated that in the past four years, he has obtained approximately \$152,000 through licensing agreements. Those licensing agreements were the result of settlements of four lawsuits: an action against Motorola pending in Chicago (settled in 2002); an action against Samsung, pending in Washington, D.C. (settled in 2002); an action against L.G. Electronics (settled in 2003); and a fourth action pending in California (settled in 2005). The licensing agreements were all derived from the four patents which he described as “not knowing their value” in the instant *in forma pauperis* application. Notably, in each of those applications, Mr. Colida was given *in forma pauperis* status.

This Court is satisfied that Mr. Colida does not qualify for *in forma pauperis* status. It is clear to the Court that the U.S. design patent for which he cannot value, has a value at a minimum, in excess of the \$152,000 which he has obtained through licensing agreements in the past three to four years. While Mr. Colida explains that the settlement proceeds were spent on legal fees, living expenses, etc., it does not change this Court’s conclusion that the patent he presently owns has significant value. It is no different than a litigant who files for an *in forma pauperis* status and owns an apartment building which generates substantial rent. The rent, like the licensing revenue here, would preclude the Court from concluding that Mr. Colida is “unable to pay costs...”

Accordingly, in light of Mr. Colida’s monthly payment from the Canadian government, coupled with the \$152,000 he has received from licensing agreements over the past four years and the significant value of the underlying design patent, this Court concludes that Mr. Colida does not qualify for *in forma pauperis*.

Plaintiff’s application for *in forma pauperis* is therefore DENIED.

**SO ORDERED.**

s/Madeline Cox Arleo

**MADELINE COX ARLEO**

**United States Magistrate Judge**

cc: Clerk  
Hon. Joseph A. Greenaway, Jr., U.S.D.J.  
File